

Social Security Advisory Board

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Hal Daub

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March 14, 2006

Dear Mr. Chairman :

I am writing on behalf of the Social Security Advisory Board to urge the Committee on Appropriations to assure funding that adequately enables the Social Security Administration to carry out its responsibilities with a high level of integrity and excellence of service to the public.

The operations of the Social Security Administration directly affect the lives of the people of this country in multiple, vitally important ways. Over 160 million workers pay Social Security taxes. Social Security benefits are paid each month to 48 million beneficiaries, and over 7 million low-income Americans depend on the agency's Supplemental Security Income program. Each year the agency receives and must process more than six and a half million new benefit claims. It also has responsibility for a great many other tasks including the issuance and verification of many millions of Social Security numbers, the proper crediting of wages to the accounts of workers, and the conduct of continuing eligibility reviews.

If the agency fails to receive adequate resources for proper administration, the results are reflected in delays, inordinate processing backlogs, and inability to perform eligibility reviews that will ultimately save many times their costs. Unfortunately, that describes the existing situation. There are now nearly 600,000 initial disability claims awaiting a decision, but the State disability determination agencies that process those claims are facing reduced staffing levels. The situation with respect to appeals is even more severe. Since 1999, the number of Americans awaiting a decision on their Social Security appeals has more than doubled from 265 thousand to over 700 thousand with further increases projected. By the end of the current fiscal year, a typical appeal is expected to take 15 to 16 months. Moreover, the existence of such large backlogs necessarily creates pressures to expedite adjudication and defer action on continuing eligibility reviews. In any case where those pressures result in an incorrect denial or allowance, the claimant or the taxpayers may suffer a loss of a magnitude that can run into the tens of thousands of dollars. Inadequate reviews of eligibility may result in the payment of \$10 in improper benefits for each dollar not spent on reviews.

In 1994, Congress enacted legislation making the Social Security Administration an independent agency. That legislation directed the Commissioner to develop the agency's budget on the basis of a comprehensive workforce plan. The current Commissioner of Social Security has carried out that mandate by creating a service delivery budget designed to reduce the backlogs in Social Security processing to normal levels over a period of years while meeting the agency's obligations to maintain high levels of program integrity. This agency-developed budget is included each year in the Appendix to the President's budget.

The Board urges the Committee on Appropriations, in developing its recommendations for funding the Social Security Administration, to meet the needs addressed in the Commissioner's service delivery budget for adequate resources to begin reducing the inappropriate backlogs now faced by Americans applying for benefits and other services from the agency. We also urge you to provide the special funding that the Administration has requested for carrying out continuing eligibility reviews, which, as noted earlier, will pay for themselves many times over. Over the past several years, the agency has shown consistent and substantial improvements in productivity. But, without sufficient funding, it cannot keep up with its large caseloads and provide the type of service and careful stewardship that America's beneficiaries and taxpayers deserve.

Sincerely,

Hal Daub
Chairman

This letter has been sent to:

Senator Thad Cochran,
Senator Robert C. Byrd,
Representative Jerry Lewis,
Representative David R. Obey,

Representative Ralph Regula,

Senator Arlen Specter,

Senator Tom Harkin,

Chairman, Committee on Appropriations
Ranking Minority Member, Committee on
Chairman, House Committee on Appropriations
Ranking Minority Member, House Committee
on Appropriations Subcommittee on Labor
Health and Human Services,
Education and Related Agencies
Chairman House Committee on Appropriations
Subcommittee on Labor Health and Human
Services, Education and Related Agencies
Chairman, Subcommittee on Labor,
Health and Human Services, and
Education, Committee on Appropriations
Ranking Minority Member,
Subcommittee on Labor, Health
and Human Services, and
Education, Committee on Appropriations